25X1

[redacted]

7 April 1981

SUBJECT: NFAC

1) Superiority complex, defensiveness, arrogance and timidity.

2) Scared of being wrong.

3) Stick strictly to the evidence and not go beyond it.

4) Highly paid group of historians and statisticians.

5) Resent different interpretation of evidence.

6) Defensiveness against outside criticism.

7) Only one explanation for any given set of circumstances.

8) Many analysts are not specialists in their field.

9) Lack of language ability and area knowledge.

10) Deficient in estimating Soviet military capabilities and intentions.

11) No political/military analysis capability.

12) OSR's Strategic Evaluation Center given lip service.

13) NIE-11/3-8 fails for lack of political/military perspective.

14) Soviet global policy had to be prepared by outsiders.

→15) Failure to focus on problems from the perspective of U.S.; hence, unimportant issues to U.S. consume as much time as important ones.

→16) Performance on future trends and intentions is poor and certainly too vague.

17) Primitive in multidisciplinary analysis.

18) A lot of people who do not work very hard.

→19) A small percentage carries the load for the Directorate.

20) Mediocre quality and slow performance tolerated.

→21) Analysts fail to see or acknowledge any kind of Soviet strategy regarding any given situation.

22) Cuban analysts think Castro drags the Russians along.

[redacted]

25X1

3 April 1981

MEMORANDUM FOR: John McMahon

FROM : Director of Central Intelligence

SUBJECT : Problems of Analysis

1. As you take up the reins of NFAC, I want to bring to your attention a number of problems with CIA analysts and analysis that I have observed and that have been brought to my attention in conversations with people both inside and outside CIA. I offer this list of impressions in the hope that in the coming months you can either disabuse me of this information or take steps to correct the problems you have confirmed as serious.

(1) Attitude: There is a curious blend of attitudes in NFAC. The words used to me are superiority complex, defensiveness, arrogance and timidity. There is a perception that people in NFAC are scared of being wrong. Analysts prefer to stick strictly to the evidence and not go beyond it. As a result, we have a very highly paid group of historians and statisticians but a dearth of people who, using the evidence as a starting point, can then provide insight or trenchent estimates as to what might happen--the essence of the analyst's job, in my judgment. By the same token, those who inhabit this timid culture resent and disparage those who try to go beyond the evidence or those who hold a different interpretation of the evidence. This arrogance is not only directed at intelligence organizations outside of CIA, but is directed at other offices in NFAC and often at the DDO. The range of views that is acceptable and considered "reasonable" to the culture in NFAC is very narrow, thus giving a remarkable homogeneity to analysis on any given subject.

Related to this attitude is a reluctance to entertain alternative interpretations or to give controversial views any prominence. There is a conviction of analytical superiority in each of the main analytical offices--OER, OSR, OPA--that produces a defensiveness against outside criticism and prevents, for the most part, even an acknowledgment of substantive shortcomings. Thus, OSR almost automatically disdains work done by DIA; OER, with its near-monopoly on economic intelligence, has no use for DIA analysis on Soviet energy problems or for work by anyone else for that matter in their special sphere of competence. (This is not to say there are not good working relationships between individual analysts in CIA and counterparts in other agencies, but what is

lacking is respect for and a willingness to entertain the views of those in other agencies.) For most NFAC analysts, there can be only one explanation of a given set of circumstances or evidence. Alternative interpretations are neither welcome nor pursued.

(2) Training. Contrary to outside assumptions, many CIA analysts are not specialists in their fields. For example, a number (if not most) of the people working on Soviet military problems in OSR have little or no background in Soviet or Russian history, much less in Soviet or Russian military history. Most have general Liberal Arts degrees, perhaps with a sprinkling of advanced degrees in general subjects such as political science. OSR analysts are expected to be specialists in weapons systems and little emphasis has been given to the development of specialists in Soviet strategy or the political uses of Soviet armed forces. The result is analysts who are technically proficient but who lack a broader understanding or grasp of the way the Soviet generals or civilian leaders look at military problems. Similarly, many of the analysts in OER have good economics backgrounds but the number who have an academic specialization in Soviet economic affairs is quite limited. Finally, OPA has a number of people who lack formal training in their respective areas of specialization, although significant strides forward have been taken in recent years to recruit people with good area backgrounds. An analyst of Soviet, Cuban, African, or Asian affairs ought to be well grounded in the history and culture of his area. This is not the case at this point. Nor is there emphasis on such training once an analyst is on board. (In mid-March I asked Bruce to prepare an analyst inventory for me, giving the educational background of analysts in OER, OPA and OSR, their language ability, and their area of present assignment. I attach the results of that inventory.)

(3) Political/Military Affairs. As indicated above, a principal area of criticism of CIA analysis has been our deficiencies in estimating Soviet military capabilities and intentions. One reason for this is that CIA has not developed over the years a capability for politico-military analysis. NFAC has analysts who specialize in Soviet political affairs but know very little about Soviet military affairs; OSR has many analysts who understand Soviet weapons systems and the breadth of Soviet military programs but have little understanding of Soviet politics and how military power is used for political purposes. The Strategic Evaluation Center in OSR was founded almost ten years ago with a view to developing this capability. However, it now devotes more than two-thirds of its resources to the examination of Soviet exercises and doing computer-based force projections and measures of effectiveness. Only one small unit within the Strategic Evaluation Center works on Soviet politico-military affairs, and this unit focuses primarily on Soviet military doctrine. In short, one reason that NIE 11/3-8 and other similar estimates are weak on geostrategic analysis is because of the dearth of analysts in CIA who can look at the Soviet Union or other states and regions from a politico-military perspective.

(4) "The small picture." NFAC is particularly weak in producing estimates and analysis with a broad scope. It is especially weak on such "macro" analysis as potential instabilities world-wide, economic vulnerabilities and broad geopolitical/geostrategic analysis. There has been little effort over the years in the analytical area to develop a cadre of experienced analysts who look at problems from a broad perspective. As an example of this problem, when NFAC decided to do the NIE on Soviet global policy in 1978, senior management finally ended up letting a contract for an outsider to prepare the first draft. This was a shocking admission of failure to develop people with a geostrategic analytical capacility. There are very few analysts who can analyze and write about the big picture.

(5) Academic or government analysts? A persistent problem in NFAC has been the failure to focus on problems from the perspective of the United States Government. There is a proclivity to take an academician's view of an international problem or country issue in an effort to be as objective as possible. The result is that issues of relative unimportance to the U.S. Government often eat up valuable resources; the implications of a given situation for the U.S. are often overlooked; and the vulnerabilities in a situation that might be exploited to U.S. advantage are ignored. Efforts to instill in analysts the importance of looking at a problem from the standpoint of the U.S. policymaker both in terms of the issues to be addressed and the implications more often than not raise a hue and cry about trying to politicize the analyst.

(6) The future. Related to problems of timidity and lack of background is the reluctance of NFAC analysts to speculate on or analyze the future. They are pretty good at doing situation reports, current intelligence and understanding events that already have taken place. It is very hard, however, to get analysts to write about what will happen--to conceive of and describe alternative outcomes and clearly identify the most likely. Performance on future trends and on intentions is poor: they address the future too infrequently, too vaguely and too inaccurately. They have a hard time looking over the horizon. Of course it is difficult. But this is what intelligence is all about, and the lack of conclusive evidence or data is no excuse. Training, experience and instinct should equip our specialists to do this with some skill and success. It is the commodity most in demand by policymakers.

(7) Cross-discipline analysis. CIA remains primitive in the area of multi-disciplinary analysis. Organization into political, economic, and military offices accentuates a propensity to separate analysis of the many problems that cover two or more of those fields. This weakness certainly is one factor behind shortcomings in doing "macro" analysis as well as deficiencies in addressing the enormous number of subjects large and small that require integrated economic-political-military analysis.

(8) People. Some say NFAC has a lot of people who do not work very hard. NFAC, like most organizations, gets the vast majority of its best

work out of a relatively small percentage of people. These highly competent analysts are indeed very overworked as they are pressed to do research, current intelligence, and policy support papers. On the other hand, there are a large number of people in the Directorate who produce publications of questionable value, who work for months or years on projects that may never see the light of day or that in truth would take a first-rate analyst much less time to complete. When one is told NFAC's resources are stretched thinly, this really means that the handful of analysts who can do quality work quickly are stretched too thinly. NFAC tolerates mediocre quality and slow performance by far too many people.

(9) Realism. For a long time, CIA Soviet analysts have heard about Soviet "master plans," global strategies and the like. In responding to such notions and knocking them down over the years, a culture has developed among Soviet analysts here that makes them skeptical of analysis suggesting any kind of Soviet strategy in any situation. They have come to look at Soviet activities piecemeal, on a country-by-country basis, and are suspicious of anyone who postulates that the Russians have a strategy anywhere that goes beyond hit and miss opportunism. This suspicion of Soviet "strategies," together with familiarity with Soviet problems and weaknesses, has narrowed the perception of analysts so that they minimize Soviet strengths and often fail to discern any Soviet strategy underlying discrete activities. At the same time, in the absence of good evidence, the analysts' "going in" position tends to assume that the Soviets are not involved in a given situation (terrorism, Nicaragua, Chad, etc.) instead of assuming that they are.

Another example of this lack of realism is found among Cuban analysts, who almost unanimously seem to think Castro drags reluctant Russians into various insurgent or revolutionary situations. In their view, it is usually Castro manipulating the USSR and the Soviets worrying that Castro will get them into trouble with the U.S.

These are two examples of analytical mind-sets that get in the way of good, realistic analysis. I would be amazed if there were not similar examples in other areas.

2. It seems to me there are remedies to most of these problems. Some--such as those relating to attitude, priorities, attention to the future, realism and looking at problems from the standpoint of the U.S. Government--are subject to a relatively quick turn-around given forceful leadership from the top. In certain cases, such as training, some remedial steps are already under way and could be accelerated; new people being recruited often have the desired specialized backgrounds--the main problem now is giving older analysts such a background. But other problems, such as the development of a politico-military capability, the capability to look at problems from a geostrategic or "macro" perspective and cross-disciplinary analysis, will take more time because the cadre must be developed. Perhaps most important, many of these problems can be attacked without any reorganization. They are primarily management problems. It seems to me the principal problem in NFAC is a "people" problem, and that you may want to turn your attention first to getting a more concrete fix on the quality of the analysts, how well they write, how well they think, how well they are led.

3. I understand that there has been a great deal of emphasis in recent years in NFAC on career development, well rounded analysts, satisfactory working conditions, a pleasant working atmosphere. It strikes me that perhaps there has not been enough emphasis on the principal objective for which people are hired and paid: producing the highest quality, best written intelligence in the world. It seems to me that the pride growing out of that makes many other difficulties much less important.

William J. Casey

26 March 1981

MEMORANDUM

SUBJECT: Quality of Analysis

1. The problem with the quality of analysis in NFAC is not organization or even unconscious bias, it is people. There are some good analysts and a few who are very good, but far too many have trouble doing their basic analytical job and communicating the results cleanly and clearly. Many analysts can sort through and summarize sources, but few can conceptualize, recognize turning points when they occur, or speak in a timely fashion to the preoccupations of policymakers.

2. To cure this problem will require a good decade. There are two basic matters that must be tackled. The first is to change the culture of NFAC as it is now constituted. The second and long-term approach involves a different recruiting policy.

3. At present few NFAC managers recognize quality control as one of their primary duties. If NFAC is to prosper, it must be understood at all levels that the central aim of the organization is to produce the best intelligence possible, and all other questions are secondary. This requires constant attention to the product, a certain degree of ruthlessness, and an understanding throughout the organization that careers rise and fall on the quality of the work produced. Good analysts must be seen to be rewarded; poor analysts must be seen to do poorly. Managers at all levels must be enjoined that their future rests on the quality of work that they put forward. This in turn requires, of course, managers who can command the analytic respect of their subordinates and who have no trouble distinguishing good from mediocre work.

4. The policy must be pushed from the highest levels of NFAC and must be pursued consistently. It is sad to say that to do this would create a revolution in the way NFAC now does its business, yet it would almost certainly at the same time create among the analysts themselves a feeling of greater pride in their work.

5. Without a long-term improvement in the quality of the pool of analysts employed by NFAC, ever constant attention to quality control will prove no more than a palliative. For analysts working on the Soviet Union and China, an academic background is obviously essential from the start. But even in these cases, and certainly in the cases of those analysts who deal with other parts

of the world the basic problem is to find people who have a flair for the kind of work required. It probably would be best to recruit young analysts directly upon graduation from college, looking particularly at those young men and women who have had undergraduate journalistic experience or who have been involved in campus or local politics, and are therefore likely to have a "feel" for their subject and an ability to communicate that understanding.

6. It is more likely that good analysts will be found in this group than in a group of recruits hired after years of academic graduate work. Experience has shown that such analysts are frequently set in their intellectual attitudes and have difficulty adapting to the needs of the Agency. The younger analysts, after being vetted by a year or two, can then be sent to graduate school to acquire the necessary expertise and language skills in such areas as the Agency itself designates. This is a more expensive process than that which we now follow, since the Agency would bear the cost of educating the analysts. The salaries of deadwood now in the ranks represent a budgetary drain in excess of this cost.

7. Obviously, this is a long-term project and would not bear fruit for several years. In the interim it would be necessary to cull out those employees recruited directly upon college graduation who in their first year or two at work did not show the requisite analytical skills. To show proper results would require determination on the part of leadership of the Agency and a willingness to wait for results. Those results, however, would almost certainly be greater than any available through a quick-fix program.